

## Message Text

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PAGE 01 TEGUCI 01430 112016Z

61

ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 TRSE-00 INRE-00 CIAE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 EB-07 AGR-05 COME-00 JUSE-00 CIEP-01

OMB-01 OPIC-03 SEC-01 AID-05 /072 W

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O 111848Z APR 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC NIACT IMMEDIATE 9723

INFO DIA WASHDC IMMEDIATE

USIA WASHDC IMMEDIATE

AMEMBASSY GUATEMALA IMMEDIATE

AMEMBASSY MANAGUA IMMEDIATE

AMEMBASSY SAN JOSE IMMEDIATE

AMEMBASSY SAN SALVADOR IMMEDIATE

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E.O. 11652: N/A

TAGS: PINT, HO

SUBJECT: REACTIONS TO UB BRIBERY STORY

REF: TEGUCIGALPA 1415

1. MOISES ULLOA DUARTE, A RADIO COMMENTATOR, REPORTED ON BANANA BRIBE STORY ON APRIL 10. HE EMPHASIZED THAT THE STORY "HAS DONE TREMENDOUS HARM TO THE COUNTRY'S ALREADY DETERIORATED INTERNATIONAL STANDING." GERARDO ALFREDO MEDRANO, ANOTHER RADIO COMMENTATOR, STATED ON APRIL 10 THAT "BEFORE WE HAVE EVEN EMERGED FULLY FROM THE SPECULATIONS CAUSED BY THE SHUFFLE WITHIN THE ARMED FORCES WE ARE PLUNGED UP TO OUR NOSES INTO ANOTHER VIOLENT SEA OF OPINIONS RESULTING FROM AN ARTICLE PUBLISHED BY THE WALL STREET JOURNAL". HE WENT ON TO STATE THAT "THE U.S. GOVERNMENT ALREADY HAS TAKEN LEGAL ACTION AGAINST

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PAGE 02 TEGUCI 01430 112016Z

UNITED BRANDS AND IT IS NOW UP TO US TO TAKE IMMEDIATE, WE

REPEAT, IMMEDIATE ACTION TO RUSH INSTRUCTIONS TO THE HONDURAN AMBASSADOR IN WASHINGTON TO PRESS SUIT AGAINST UNITED BRANDS ON BEHALF OF THE HONDURAN GOVERNMENT. UNITED BRANDS COULD BE FORCED TO REVEAL THE NAMES OF THE HONDURAN OFFICIALS WHO WERE BRIBED, AND IN CASE IT REFUSED, IT COULD BE PUNISHED BY CONFISCATION OF ALL ITS HOLDING IN OUR COUNTRY."

2. EL CRONISTA, A MORNING DAILY, CARRIED A NUMBER OF WIRE SERVICE STORIES ON THE BRIBERY CHARGE. ONE STORY STATED THAT THE U.S. GOVERNMENT HAS SUED UNITED BRANDS ON THE GROUNDS OF FRAUD FOR NOT HAVING INFORMED ITS STOCKHOLDERS ABOUT THE BRIBE TO HONDURAN OFFICIALS TO OBTAIN A REDUCTION OF THE BANANA TAX. ANOTHER REPORT STATED THAT A BRIBE OF \$1,250,000 WAS DEPOSITED IN SWISS BANKS FOR HONDURAN OFFICIALS, INCLUDING GENERAL LOPEZ. A FRONT PAGE EDITORIAL INCLUDES THE FOLLOWING MAIN POINTS:

- (A) THE PRESENT SITUATION IS THE GRAVEST CRISIS IN THE HISTORY OF HONDURAS;
- (B) IT URGED THE GOVERNMENT TO OBTAIN THE NAMES OF THE INDIVIDUALS INVOLVED IN THE BRIBE FROM UNITED BRANDS;
- (C) IF UNITED BRANDS DOES NOT SUPPLY THE NAMES, REPRISALS SHOULD BE TAKEN AGAINST THE COMPANY'S PROPERTY IN HONDURAS;
- (D) IF THE STORY IS NOT TRUE THE GOH SHOULD REQUEST A COMPLETE EXPLANATION OF THE SITUATION FROM THE USG BECAUSE THE DEPARTMENT OF STATE KNEW ABOUT THE MATTER LONG BEFORE IT APPEARED IN THE PRESS; AND
- (E) IF THE STORY IS TRUE THE GOVERNMENT SHOULD TAKE ACTION TO DEAL OUT DRASTIC PUNISHMENT TONMLL OF THOSE INVOLVED IN THE BRIBE.

3. LA PRENSA, A MORNING DAILY, CARRIED A HEADLINE SAYING, "UNITED BRANDS DEPOSITED MONEY IN A PERSONAL ACCOUNT OF LOPEZ." THE PAPER ALSO CARRIED AP, LATIN AND ACAN-EFE STORIES ON THE SITUATION. AN AP STORY DATED APRIL 10 REPORTS A WASHINGTON POST EDITORIAL SAYING THAT "THE ANALISTS BELIEVE LOPEZ IS LOSING HIS BASE OF POWER." THE LA PRENSA HEADLINE STATES, "NORTH AMERICAN PAPERS FORESEE THE FALL OF LOPEZ." A PORTION OF THE LETTER FROM ASSISTANT SECRETARY ROGERS TO THE LAWYERS OF THE LIMITED OFFICIAL USE

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PAGE 03 TEGUCI 01430 112016Z

COMPANY WAS INCLUDED IN THE ARTICLE. LA PRENSA ALSO PUBLISHED A STORY ON THE ACTIONS OF THE NEWLY-FORMED INVESTIGATING COMMITTEE. IT STATED THAT THE COMMITTEE'S FIRST ACT WAS TO PROHIBIT GOVERNMENT OFFICIALS AND BANANA COMPANY EMPLOYEES WHO HAD PARTICIPATED IN THE BANANA TAX NEGOTIATIONS FROM LEAVING THE COUNTRY. THE STORY REPORTS THAT JORGE ARTURO REINA, PRO-LEFTIST RECTOR OF THE NATIONAL UNIVERSITY, WAS SELECTED AS THE COORDINATOR OF THE COMMITTEE;

ANDRES VICTOR ARTILES, SECRETARY GENERAL OF THE HONDURAN WORKERS CONFEDERATION, WAS NAMED SECRETARY; AND LT. COLONEL CESAR EL VIR SIERRA, CHIEF OF STAFF OF THE ARMY, WAS NAMED TREASURER. THE COMMITTEE MET ALL AFTERNOON ON APRIL 10 TO DEVELOP A PLAN OF WORK.

4. AFTER THE MEETING, REINA MADE A STATEMENT FOR THE PRESS WHICH WAS BROADCAST ON THE MORNING OF APRIL 11. THE MAIN POINTS FOLLOW:

(A) THE PRIMARY CONSIDERATIONS OF THE COMMITTEE'S WORKING PLAN CONSIST OF OBTAINING THE BASIC ELEMENTS OF INFORMATION ABOUT THE CASE AS SOON AS POSSIBLE;

(B) CONTACTS HAVE ALREADY BEEN INSTITUTED TO OBTAIN INFORMATION FROM PERSONS AND INSTITUTIONS IN THE UNITED STATES;

(C) UP TO NOW NO HONDURAN OFFICIAL HAS BEEN SUMMONED TO GIVE TESTIMONY;

(D) THE POSSIBILITY OF INVOLVING SCOTLAND YARD, THE FBI OR INTERPOL HAS BEEN DISMISSED FOR THE TIME BEING;

(E) WHEN THE INVESTIGATION IS COMPLETE THE FULL STORY WILL BE RELEASED TO THE PUBLIC; AND

(F) THE COMMITTEE WILL DEMONSTRATE BY ITS ACTIONS THAT THERE ARE MEN WHO ARE WILLING TO TELL THE TRUTH REGARDLESS OF CONSEQUENCES.

5. COMMENT: THE EMBASSY HAS BEEN INFORMED BY CHIEF OF THE DEPARTMENT OF IMMIGRATION THAT ORDERS HAVE BEEN ISSUED TO PROHIBIT THE DEPARTURE OF MINISTERS OF GOVERNMENT OFFICIALS WHO HAVE BEEN INVOLVED IN THE BANANA NEGOTIATIONS UNLESS THEY HAVE OBTAINED AN EXIT PERMIT FROM THE MINISTRY OF GOVERNMENT. THE SAME PROHIBITION APPLIES TO UNITED BRANDS EXECUTIVES AND TO UNITED BRANDS EMPLOYEES WHO HAVE BEEN INVOLVED IN THE NEGOTIATIONS.

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PAGE 04 TEGUCI 01430 112016Z

SANCHEZ

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## Message Attributes

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